

Overview and Scrutiny Committee

15 March 2016



Title	Support provided by Spelthorne Council for the local business community and for the unemployed		
Purpose of the report	To note		
Report Author	Keith McGroary		
Cabinet Member	Councillor N. Gething	Confidential	No
Corporate Priority	Creating opportunity and prosperity for our borough		
Cabinet Values	Opportunity and Self-Reliance		
Recommendations	Overview and Scrutiny Committee is asked: To note this report and endorse the progress made in supporting local businesses and residents to enhance their economic prosperity.		

1. Key issues

- 1.1 A request was made from the Chairman of Overview & scrutiny with regards to the support SBC currently provides to our business community and unemployed. This report will outline some of the key activities that that Council initiates or supports in achieving a better environment for business and opportunities for the unemployed.
- 1.2 Background: The Borough is small geographically, being only some 7 miles long by 2.5 miles wide. However, it has more business space per hectare than any other Surrey district. With over 940,200m² of business floor space, 4,500 businesses, a population of over 95,000 and over 50,000 residents in employment, it is an important integral part of the sub-regional economy centred at Heathrow. Heathrow is responsible for exporting around 25% of all freight by value within the UK. Spelthorne has excellent connections with the M3 and M25 motorways passing through it as well as the A30 trunk road. The M4 motorway is only 5 minutes travel time away. In terms of the location as a place to set up business compared to other areas, Spelthorne is rated 13th out of a total of 359 local authorities in the UK Competitiveness Index 2013.

2. Support Provided for Business and the Unemployed

- 2.1 This report will summarise some of the key activities that underpin support for the businesses and residents of Spelthorne. In 2013 Spelthorne Borough Council (SBC) produced an economic assessment and accompanying action plan which was endorsed by the Full Council; this has allowed economic development within the Borough to develop in a planned fashion rather than

haphazardly and organically. These documents are currently being refreshed and a new assessment and action plan will be prepared for approval for December 2016.

- 2.2 **Entrepreneurship:** In November 2105 Staines-upon-Thames was identified as the number one town in the whole of the UK to set up and start a new business with 43 new businesses per 10,000 population, compared with the UK average of just 14. One of the factors we believe has influenced those figures was the introduction by the Council of a business advice web-chat service available free of charge to all our residents and businesses situated within the Borough. This facility helps to support and advice fledging businesses in their early formation and beyond, as well as advising existing businesses; something no other local authority in Surrey offers to their communities.
- 2.3 **The Spelthorne Business Forum (sbF)** which was formed about 10 years ago with ongoing direct support from SBC has developed into a serious and popular networking facility for our small businesses; recent innovations include a monthly joint meeting with Hounslow, Surrey and Ashford Chambers of Commerce in partnership with the sbF. The sbF now benefits from a dedicated independent web site; the activities of the sbF are marketed and circulated through Twitter and Linked-in aspects of social media. Around 8 evening and 6 morning SBF events are planned to take place each year; these are generally funded via sponsorship by businesses that wish to promote their services / goods. Consultation has been introduced making use of facilities such as Mail Chimp which allows the sbF Team to deliver members needs rather than trying to second guess them. There are now 500+ members of the sbF.
- 2.4 **Heathrow Business Summit:** SBC advertise and participate in the annual Heathrow Business Summit which generates in the region of £10m of contracts each year. This year we had 11 small businesses from Spelthorne attend which is a record and feedback was excellent. Attending this event is just £50 for a Spelthorne business which connects each business with at least 6 companies that have contracts on offer for work around related goods and services. This compares to £450 for a business outside the counties that surround Heathrow.
- 2.5 **Training:** The economic development team organised a series of training sessions to support and develop the on-line presence of their business in the shape of 4 x 2 hours Digital High Street sessions for small retailers across the Borough; this was well attended and feedback was excellent.
- 2.6 **Key Account Management:** Within the economic strategy key account management (KAM) was an area identified as a weakness not only in this Borough, but also across Surrey. We have now recruited an advisor to support the delivery of a strategy to enable SBC to develop closer relationships with the top businesses situated within the Borough, so we can understand needs and concerns at an earlier stage to assist retention. This also ties in with the activity of the Borough to attract inward investment in the shape of new businesses into the Borough as well as allow pro-active activity to keep existing businesses. A seminar to bring together commercial estate agents and property investors is pencilled in for 23rd March or close to that date to be held at Knowle Green.

- 2.7 **Business Improvement District:** Work is ongoing to support the introduction of a Business Improvement District (BID) within Staines-upon-Thames. This will involve the introduction of a voluntary levy of between 1% - 1½% within the defined area of the BID, which if successful will realise an additional sum of nearly £300k per year, or £1.4m over 5 years. It will be for the BID Board which consists of representatives of the businesses within the BID area to determine its use. The vote will take place on 1st October over 28 days and the result announced on 29th October. The BID levy would be collected at the same time as business rates in April the following year.
- 2.8 **Support for our Secondary Towns:** An application has been submitted to Surrey County Council with regards to capital funding available to support Secondary Towns within Surrey Boroughs. SBC have applied for £350k of funding which Spelthorne Council have already agreed to match fund. This will result in a variety of structural improvements and other opportunities designed to support business over a four year period. Boroughs with successful applications will be informed in April 2016.
- 2.9 **Unemployment** in the Borough has been below 1% for the last 12 months, since August 2015 it has remained at 0.7%, moving to 0.8% in January 2016. The average unemployment rate for Great Britain is 1.5%. With a working population of around 50,000 in the Borough, there are currently 495 persons claiming unemployment benefit of which, just 75 people have been claiming job seekers allowance for 12 months or more. SBC has marketed the free business support to encourage entrepreneurship, particularly amongst those who due to personal factors such as criminal records, disability find it harder to obtain gainful employment. SBC has an excellent relationship with Heathrow and promotes opportunities to attend the Heathrow Academy which provides a gateway to job opportunities within the airport within retail, construction and airside roles. SBC also promote the phenomenally successful annual jobs and careers fair, the last one taking place on 11th February 2016. This event attracts thousands of young people across secondary schools from Spelthorne, Slough, Ealing, Hounslow and Hillingdon. This provides an insight into some of the huge variety of careers on offer from Heathrow and their supply chain; this will include banking, legal, accountancy, engineering and much more.
- 2.10 **Enterprise M3:** SBC works closely with the Local Economic Partnership known as Enterprise M3 which covers half of Surrey and half of Hampshire as a functional economic area. This has resulted in funding which provided for the provision of the Digital High Street training for small retailers / businesses. Opportunities are also available to bid for funding to support transport / construction projects; Brooklands College benefitted with excess of £3m to support the sale of the existing site and provision of brand new accommodation stands at Thomas Knyvett College.

3. Financial implications

- 3.1 **Resources:** The Economic Development Team situated within the Council consists of ½ post of Economic Development Manager, and 1 full-time post Economic Development Officer, costing the Council approximately £60k per annum.
- 3.2 **Business Rates:** The Communities and Local Government (CLG) Committee has announced an inquiry into the Government's proposals to allow local authorities to retain 100 per cent of business rates by 2020. This

will not mean Spelthorne, or indeed the Council and Surrey County Council combined, retain fully the business rates, but a large percentage (not yet determined) will be shared with other local authorities across the country that have a poor business rate tax base. This coincides with Government plans to cease paying Councils annual grants. It is important to note that the detail is not yet available, so the proportion a Borough / District would receive and that of SCC has yet to be decided. Further, Councils dependency on business rates comes with a degree of risk, this will manifest if business rates collections drop through businesses leaving the Borough, or non-payment / appeals. This further emphasises the need to ensure that a professional level of key account management is successfully employed so that we retain our businesses and work hard in attracting new companies into the Borough.

4. Other considerations

- 4.1 **Planning:** Economic development is very closely linked to planning; a number of projects are due to be delivered in the next couple of years, particularly around Staines-upon-Thames as well as the development opportunity at Ashford multi-storey car park. The impact of these interventions that enhance the attractiveness of the Borough cannot be underestimated, but have not been included within the parameters of this report. Given the activities, opportunities and improvements listed above, it is suggested that Spelthorne is well placed now and in the future to build upon the competitive advantage it has already created.

5. Timetable for implementation

- 5.1 This report is produced for information purposes, so no timetable has been included.

Background papers: There are none.